

Summary of Dearborn County 2011 Annual Adjustment Methodology

Method

The sales comparison method was used to adjust the assessments in Dearborn County for 2011. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. The sales used for the 2011 annual adjustments were from 2010 and the first two months of 2011. Additional years were added when there were an insufficient number of sales in a particular property class. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to significantly similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

Industrial Properties

Sales for improved industrial properties were expanded to include 2008 and 2009. Only three valid improved industrial sales occurred in Dearborn County during that period. No time adjustments to the sale prices were deemed necessary. Analysis of the three sales indicates that the PRD is outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the vertical equity of improved industrial properties in Dearborn County is acceptable.

Commercial Properties

Sales for 2009 were included for improved commercial properties. Data were combined from all commercial property sales to evaluate those areas where there were insufficient sales. No time adjustments to the sale prices were deemed necessary.

Commercial and Industrial Land

Due to very low market activity, sales for commercial and industrial land have been combined and the years have been expanded to include 2007, 2008 and 2009.

Residential Properties

VACANT: Sales were expanded to include 2008 and 2009 for unimproved residential properties. Even so, there were still an insufficient number of sales for all but Kelso, Miller Lawrenceburg and Logan Townships. Data were combined from townships with similar market characteristics to evaluate those areas with insufficient sales. No time adjustments to the sale prices were deemed necessary. Sales for 2010 and the first two months of 2011 indicated a need to decrease residential base rates in Lawrenceburg Township.

IMPROVED: Sales from 2010 and the first two months of 2011 provided a dataset sufficient to analyze most improved residential properties except for Hogan which had no valid sales during that period. It was necessary to combine Manchester, York and Caesar Creek Townships to enhance the statistical reliability of the study. Analysis indicates a downward trend in rural residential values in Sparta Township.